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Military Market

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The Guru of Groceries Hangs Up His Turban

Parting Words from Bill Moran, director of operations, AFCOMS

. . . And Resale Leaders Make Their Predictions for 1986

PLUS: The 1986 Buyers Guide and The Directory of Military Sales Representatives

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serving the military resale system

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State Department Cooperatives

This mixed bag of coops faces an array of challenges

PROBABLY THE TINIEST resale agency isn't an agency at all. It's the loose confederation of employee-run cooperatives at 131 U.S. State Department embassies, consulates and related offices worldwide.

MILITARY MARKET surveyed commissary managers, administrative officers and presidents of the recreation association boards of directors at all of these sites in late October. Because of delays caused by sending mail through diplomatic pouches (some letters took more than two weeks to arrive), we decided to hold off publishing the survey until this issue.

Mail came from Europe, Eastern Europe, the Mid-East, Africa, Latin America, and Asia. And, despite disparities in size and sophistication, a number of similarities were clear:

☐ Retail, warehouse and office space is at a premium.

☐ Many co-ops deal with military exchanges and commissaries, adding that they are "more or less at their mercy as to what products and the condition of those products we can get." Accessorial charges, imposed by the military resale systems to recoup costs of supply, are a burden.

☐ Supply lines are frequently a problem. Embassies aren't a high priority with their suppliers, respondents complain. "Freight costs are high, and getting American products" is hard. Ships run late. "Our suppliers do not offer sufficient variety," and the "stock listings we receive are not up to date, [with] old stock numbers on items." Transshipment "usually results in long delays and pilferage," and delays by host nation customs offices are a problem.

☐ Boards of directors are often troublesome, especially because of frequent rotations of membership. "They find it hard to tell the difference between policy and operation. They assume [it] can be done because they want it that way." And "Some board members interfere with the day-to-day running of a commissary, thinking they know more than the manager and therefore create confusion of roles and damage employee morale." "These people undoubtedly know their own jobs; however, they don't know this one [commissary manager]. They can't even agree on a dumb thing, never mind a smart one."

☐ On the other hand, the boards aren't always happy with their managers, either. The big problem? Ignoring directives.

☐ Personnel: It's "difficult to find well-trained individuals who will provide continuity." "Local personnel are difficult to train and manage."

☐ Post personality problems: Handling these can be tricky, since many employees are spouses of embassy staff members. "People at posts have lots of differing perceptions of what a commissary is to be. Some think of it as the *primary* source of foodstuffs, while others see a need for only a supplementary role." "Because people are stingy, and think the 25 percent post differentials are to be spent elsewhere, the prices here are much too low." "They are very demanding and really don't want to know that your truck broke down, so no Captain Crunch for another week."

☐ Money: "Never enough!" "Insufficient capital to maintain adequate inventory level" at a small post. Collections are a problem, too: "They just let their bills pile up and take advantage this way, knowing that nothing will be done to them if their bills aren't paid in time."

☐ The State Department's Office of Commissary and Recreation Affairs is useful in terms of having someone to sort out problems, provide guidance on legal matters, give out information on insurance and suppliers, and "listen." But "They are very shy about telling associations with elected members of the board to listen more." Some respondents said they saw no benefit to having a liaison office in Washington. Others said OCRA is "More of a nuisance, taking our time with silly, useless questions." But interest-free loans from the central commissary fund are an important benefit.

☐ Modernization: Computers and computerized inventory systems are high on the want-list of several associations. MM

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1 — Please indicate your title/responsibility: **Post administrative officer — 3. Association board president — 2. Commissary manager — 16. Other — 5.**

2 — Have you attended one of the regional association managers conferences? **Yes — 7. No — 20.** If yes, which one? **Mexico City — 2. Bonn — 5.** Will you attend one of the future conferences? **Tokyo — 2. Colombo — 2.**

3 — If you attended a regional conference, did you find it helpful? **Yes — 7. No — 0.**

4 — What is the biggest problem you have with your association's commissary operation? **Money — 5. Personnel — 8. Relationships with other people at the post — 2. Space — 6. Getting supplies — 6. Other — 5.**

5 — Please explain why this is your biggest problem. **See story.**

6 — What is your second largest problem? Please explain. **See story.**

7 — Do you ever order goods for embassy personnel from other countries? **Yes — 12. No — 14.** Do you ever goods for people from your host nation? **Yes — 9. No — 18.**

8 — Would you like to have a regular association-oriented newsletter produced by the OCRA? **Yes — 22. No — 3. Don't know — 2.** If one were published, would you be willing to contribute to it? **Yes — 14. No — 4. Don't know — 9.**

9 — What is the thing you most need to help you do your job better? **See story.**

10 — What is the most important benefit to you of having an Office of Commissary and Recreation Affairs in Washington? **See story.**

NOTE: Not all questions were answered by all respondents. For question four, some respondents checked more than one possible answer.

index

COMMISSARIES

		SEPTEMBER			YEAR TO DATE		
		CY'85	CY'84	% CHANGE	CY'85	CY'84	% CHANGE
	CONUS	$138,046	$143,326	-3.68	$1,384,067	$1,355,684	2.09
	OVERSEAS	25,567	29,517	-13.38	233,696	268,148	-12.85
AIR FORCE*	TOTAL	**163,613**	**172,843**	**-5.34**	**1,617,763**	**1,623,832**	**-0.37**
	CONUS	96,915	103,320	-6.20	955,605	951,930	0.39
	OVERSEAS	26,355	32,445	-18.77	276,465	294,840	-6.23
ARMY	TOTAL	**123,270**	**135,765**	**-9.20**	**1,232,070**	**1,246,770**	**-1.18**
	CONUS	71,944	72,205	-0.36	566,761	548,501	3.33
	OVERSEAS	7,954	8,840	-10.02	62,949	65,151	-3.38
NAVY	TOTAL	**79,898**	**81,045**	**-1.42**	**629,710**	**613,652**	**2.62**
	CONUS	12,929	14,389	-10.15	125,910	118,214	6.51
	OVERSEAS	283	165	71.52	2,247	1,903	18.08
MARINE CORPS	TOTAL	**13,212**	**14,554**	**-9.22**	**128,157**	**120,117**	**6.69**
	CONUS	249	302	-17.55	2,352	2,232	5.38
	OVERSEAS	326	296	10.14	2,651	2,526	4.95
COAST GUARD	TOTAL	**575**	**598**	**-3.85**	**5,003**	**4,758**	**5.15**
	CONUS	$320,083	$333,542	-4.04	$3,034,695	$2,976,561	1.95
ALL	OVERSEAS	$60,485	$71,263	-15.12	$578,008	$632,568	-8.63
COMMISSARIES	TOTAL	**$380,568**	**$404,805**	**-5.99**	**$3,612,703**	**$3,609,129**	**0.10**
GROCERY STORES	U.S.[1]	$21.295	$20.876	2.01	$195.604	$187.793	4.16

* The Air Force data has been adjusted to reflect the transfer of Alaskan commissaries from the Pacific Region to the California Region because of AFCOMS reorganization, thus accounting for the large percentage change.

EXCHANGES

		SEPTEMBER			YEAR TO DATE		
		CY'85	CY'84	% CHANGE	CY'85	CY'84	% CHANGE
	CONUS	$240,081	$239,427	0.27	$2,113,156	$2,075,711	1.80
	OVERSEAS	158,372	150,616	5.15	1,373,563	1,388,366	-1.07
AAFES	TOTAL	**398,453**	**390,043**	**2.16**	**3,486,719**	**3,464,077**	**0.65**
	CONUS[2]	88,493	89,635	-1.27	776,944	777,876	-0.12
	OVERSEAS[2]	36,289	36,281	0.02	324,948	326,494	-0.47
NAVY	TOTAL[2]	**124,782**	**125,916**	**-0.90**	**1,101,892**	**1,104,370**	**-0.22**
	CONUS	28,956	27,698	4.54	255,810	248,613	2.89
	OVERSEAS	4,863	5,126	-5.13	43,799	43,017	1.82
MARINES	TOTAL	**33,819**	**32,824**	**3.03**	**299,609**	**291,630**	**2.74**
	CONUS[3]	6,839	6,165	10.93	59,554	55,098	8.09
	OVERSEAS[3]	495	841	-41.14	4,552	7,092	-35.82
COAST GUARD	TOTAL[3]	**7,334**	**7,006**	**4.68**	**64,106**	**62,190**	**3.08**
	CONUS[4]	853	848	0.59	9,718	10,504	-7.48
	OVERSEAS[4]	3,010	2,613	15.19	27,710	33,306	-16.80
MAIL ORDER	TOTAL[4]	**3,863**	**3,461**	**11.62**	**37,428**	**43,810**	**-14.57**
	CONUS	$365,222	$363,773	0.40	$3,215,182	$3,167,802	1.50
	OVERSEAS	$203,029	$195,477	3.86	$1,774,572	$1,798,275	-1.32
ALL EXCHANGES	TOTAL	**$568,251**	**$559,250**	**1.61**	**$4,989,754**	**$4,966,077**	**0.48**
DEPARTMENT STORES	U.S.[1]	$10.186	$10.077	1.08	$88.910	$84.735	4.93

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.

CORRECTION: *The November 1985* Military Market Index *contained an editorial error in its commissary section. The AFCOMS ConUS figure for July '85 should have read $171,001 — NOT $177,001. Thus, the calculated totals and percentage changes are correct as printed.*